

## §211.3

### §211.3 Exceptions.

The regulations of this part do not apply to payments to foreign governments, nor to checks or warrants issued in payment of salaries or wages, or for goods or services purchased by the Government of the United States in foreign countries, unless such payments are subject to the Foreign Funds Control Regulations (31 CFR part 520), the Foreign Assets Control Regulations (31 CFR part 500), the Cuban Assets Control Regulations (31 CFR part 515), or the Iranian Assets Control Regulations (31 CFR part 535).

[45 FR 47678, July 16, 1980]

### §211.4 Implementing instructions.

Implementing instructions will be issued in Part IV, “Disbursing,” of the Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies.

[41 FR 15847, Apr. 15, 1976]

## PART 212—GARNISHMENT OF ACCOUNTS CONTAINING FEDERAL BENEFIT PAYMENTS

- Sec.
- 212.1 Purpose.
- 212.2 Scope.
- 212.3 Definitions.
- 212.4 Initial action upon receipt of a garnishment order.
- 212.5 Account review.
- 212.6 Rules and procedures to protect benefits.
- 212.7 Notice to the account holder.
- 212.8 Other rights and authorities.
- 212.9 Preemption of State law.
- 212.10 Safe harbor.
- 212.11 Compliance and record retention.
- 212.12 Amendment of this part.

APPENDIX A TO PART 212—MODEL NOTICE TO ACCOUNT HOLDER

APPENDIX B TO PART 212—FORM OF NOTICE OF RIGHT TO GARNISH FEDERAL BENEFITS

APPENDIX C TO PART 212—EXAMPLES OF THE LOOKBACK PERIOD AND PROTECTED AMOUNT

AUTHORITY: 5 U.S.C. 8346; 5 U.S.C. 8470; 5 U.S.C. 1103; 31 U.S.C. 321; 31 U.S.C. 3321; 31 U.S.C. 3332; 38 U.S.C. 5301(a); 38 U.S.C. 501(a); 42 U.S.C. 405(a); 42 U.S.C. 407; 42 U.S.C. 659; 42 U.S.C. 1383(d)(1); 45 U.S.C. 231f(b); 45 U.S.C. 231m; 45 U.S.C. 352(e); 45 U.S.C. 362(1).

SOURCE: 76 FR 9955, Feb. 23, 2011, unless otherwise noted.

## 31 CFR Ch. II (7–1–12 Edition)

### §212.1 Purpose.

The purpose of this part is to implement statutory provisions that protect Federal benefits from garnishment by establishing procedures that a financial institution must follow when served a garnishment order against an account holder into whose account a Federal benefit payment has been directly deposited.

### §212.2 Scope.

This part applies to:

(a) *Entities*. All financial institutions, as defined in §212.3.

(b) *Funds*. Federal benefit payments protected from garnishment pursuant to the following authorities:

(1) SSA benefit payments protected under 42 U.S.C. 407 and 42 U.S.C. 1383(d)(1);

(2) VA benefit payments protected under 38 U.S.C. 5301(a);

(3) RRB benefit payments protected under 45 U.S.C. 231m(a) and 45 U.S.C. 352(e); and

(4) OPM benefit payments protected under 5 U.S.C. 8346 and 5 U.S.C. 8470.

### §212.3 Definitions.

For the purposes of this part, the following definitions apply.

*Account* means an account, including a master account or sub account, at a financial institution and to which an electronic payment may be directly routed.

*Account holder* means a natural person against whom a garnishment order is issued and whose name appears in a financial institution’s records as the direct or beneficial owner of an account.

*Account review* means the process of examining deposits in an account to determine if a benefit agency has deposited a benefit payment into the account during the lookback period.

*Benefit agency* means the Social Security Administration (SSA), the Department of Veterans Affairs (VA), the Office of Personnel Management (OPM), or the Railroad Retirement Board (RRB).

*Benefit payment* means a Federal benefit payment referred to in §212.2(b) paid by direct deposit to an account with the character “XX” encoded in positions 54 and 55 of the Company